

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0434P

**Adjusted Gross Income Tax
Calendar Years 1995**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, incorporated in Indiana on March 23, 1984 was audited for calendar years 1993, 1994 and 1995. Upon audit it was discovered that the taxpayer failed to include in the Indiana Property Factor the rented property at eight times the annual net rental and the miscellaneous receipts that were generated and earned within Indiana for the sales factor.

Taxpayer requests that the department refund interest and penalties not due the State as a result of the taxpayer's early payment. No additional information was provided as requested in the department's letter dated July 30, 1998, therefore the decision is based upon the information contained in the audit file.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer was assessed a negligence penalty for failure to include rented property at the correct amount in the property factor and to include miscellaneous receipts in the sales factor, both issues which were in a prior audit dated January 21, 1992.

Taxpayer, in a letter dated June 11, 1998 protested penalties assessed but stated no reasons why it is inappropriate. Taxpayer also requests the department refund additional interest as a result of its early

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payment.

Taxpayer has provided no evidence why the penalty is inappropriate.

FINDING

Taxpayer's protest is denied.